

Section 18, P. L. No. 135, May 24, 1924; 43 Stat. 144

Sec. 18. The President is authorized to prescribe rules and regulations for the establishment of a Foreign Service retirement and disability system to be administered under the direction of the Secretary of State and in accordance with the following principles, to wit:

(a) The Secretary of State shall submit annually a comparative report showing all receipts and disbursements on account of refunds, allowances, and annuities, together with the total number of persons receiving annuities and the amounts paid them, and shall submit annually estimates of appropriations necessary to continue this section in full force and such appropriations are hereby authorized: Provided, That in no event shall the aggregate total appropriations exceed the aggregate total of the contributions of the Foreign Service officers theretofore made, and accumulated interest thereon.

(b) There is hereby created a special fund to be known as the Foreign Service retirement and disability fund.

(c) Five per centum of the basic salary of all Foreign Service officers eligible to retirement shall be contributed to the Foreign Service retirement and disability fund and the Secretary of the Treasury is directed on the date on which this Act takes effect to cause such deductions to be made and the sums transferred on the books of the Treasury Department to the credit of the Foreign Service retirement and disability fund for the payment of annuities, refunds, and allowances: Provided, That all basic salaries in excess of \$9,000 per annum shall be treated as \$9,000.

(d) When any Foreign Service officer has reached the age of sixty-five years and rendered at least fifteen years of service he shall be retired: Provided, That the President may in his discretion retain any such officer on active duty for such period not exceeding five years as he may deem for the interest of the United States.

(e) Annuities shall be paid to retired Foreign Service officers under the following classification, based upon length of service and at the following percentages of the average annual basic salary for the ten years next preceding the date of retirement: Class A, thirty years or more, 60 per centum; class B, from twenty-seven to thirty years, 54 per centum; class C, from twenty-four to twenty-seven years, 48 per centum; class D, from twenty-one to twenty-four years, 42 per centum; class E, from eighteen to twenty-one years, 36 per centum; class F, from fifteen to eighteen years, 30 per centum.

(f) Those officers who retire before having contributed for each year of service shall have withheld from their annuities to the credit of the Foreign Service retirement and disability fund such proportion of 5 per centum as the number of years in which they did not contribute bears to the total length of service.

(g) The Secretary of the Treasury is directed to invest from time to time in interest-bearing securities of the United States such portions of the Foreign Service retirement and disability fund as in his judgment may not be immediately required for the payment of annuities, refunds, and allowances, and the income derived from such investments shall constitute a part of said fund.

(h) None of the moneys mentioned in this section shall be assignable, either in law or equity, or be subject to execution, levy, or attachment, garnishment, or other legal process.

(i) In case an annuitant dies without having received in annuities an amount equal to the total amount of his contributions from salary with interest thereon at 4 per centum per annum compounded annually up to the time of his death, the excess of the said accumulated contributions over the said annuity payments shall be paid to his or her legal representatives; and in case a Foreign Service officer shall die without having reached the retirement age the total amount of his contributions with accrued interest shall be paid to his legal representatives.

(j) That any Foreign Service officer who before reaching the age of retirement becomes totally disabled for useful and efficient service by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on his part, shall, upon his own application or upon order of the President, be retired on an annuity under paragraph (e) of this section: Provided, however, That in each case such disability shall be determined by the report of a duly qualified physician or surgeon designated by the Secretary of State to conduct the examination: Provided further, That unless the disability be permanent, a like examination shall be made annually in order to determine the degree of disability, and the payment of annuity shall cease from the date of the medical examination showing recovery.

Fees for examinations under this provision, together with reasonable traveling and other expenses incurred in order to submit to examination, shall be paid out of the Foreign Service retirement and disability fund.

When the annuity is discontinued under this provision, before the annuitant has received a sum equal to the total amount of his contributions with accrued interest, the difference shall be paid to him or to his legal representatives.

(k) The President is authorized from time to time to establish, by Executive order, a list of places in tropical countries which by reason of climatic or other extreme conditions are to be classed as unhealthful posts, and each year of duty at such posts, while so classed, inclusive of regular leaves of absence, shall be counted as one year and a half, and so on in like proportion in reckoning the length of service for the purposes of retirement.

(l) Whenever a Foreign Service officer becomes separated from the service except for disability before reaching the age of retirement, 75 per centum of the total amount of contribution from his salary without interest shall be returned to him.

(m) Whenever any Foreign Service officer, after the date of his retirement, accepts a position of employment the emoluments of which are greater than the annuity received by him from the United States Government by virtue of his

retirement under this Act, the amount of the said annuity during the continuance of such employment shall be reduced by an equal amount: Provided, That all retired Foreign Service officers shall notify the Secretary of State once a year of any positions of employment accepted by them stating the amount of compensation received therefrom and whenever any such officer fails to report it shall be the duty of the Secretary of State to order the payment of the annuity to be suspended until such report is received.

(n) The Secretary of State is authorized to expend from surplus money to the credit of the Foreign Service retirement and disability fund an amount not exceeding \$5,000 for the expenses necessary in carrying out the provisions of this section, including actuarial advice.

(o) Any diplomatic secretary or consular officer who has been or any Foreign Service officer who may hereafter be promoted from the classified service to the grade of ambassador or minister, or appointed to a position in the Department of State shall be entitled to all the benefits of this section in the same manner and under the same conditions as Foreign Service officers.

(p) For the purposes of this Act the period of service shall be computed from the date of original oath of office as secretary in the Diplomatic Service, consul general, consul, vice consul, deputy consul, consular assistant, consular agent, commercial agent, interpreter, or student interpreter, and shall include periods of service at different times in either the Diplomatic or Consular Service, or while on assignment to the Department of State, or on special duty, but all periods of separation from the service and so much of any period of leave of absence as may exceed six months shall be excluded: Provided, That service in the Department of State prior to appointment as a Foreign Service officer shall pay into the Foreign Service retirement and disability fund a special contribution equal to 5 per centum of his annual salary for each year of such employment, with interest thereon to date of payment compounded annually at 4 per centum.